# The Undergraduate Research Journal

Volume 3 Article 4

12-31-2007

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### **Recommended Citation**

Mihkail, Mikel; Arafa, Layla; Sallam, Zena; and Ismail, Farah (2007) "Education: A Step into the Future," *The Undergraduate Research Journal*: Vol. 3, Article 4.

Available at: https://fount.aucegypt.edu/urje/vol3/iss1/4

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**Education: A Step into the Future** 

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### Introduction

Programs and initiatives funded by the government have demonstrated an inability to deal with the growing demand for education. Due to a sheer lack of financial resources, primary schools have fallen back both on supplying basic necessities, such as books and stationary, and on delivering a quality of education on par with other countries in the region.

Despite its shortcomings, the government remains the single largest financial contributor to primary school education in Egypt. The contribution of the private sector to the funding of the education system has, over the past five years, stagnated to a meager 6.9% of total expenditure. The benefits of involving non-governmental institutions, such as charitable funds and international monetary agencies, as well as the corporate world, into the funding of education, has not been adequately explored by the government.

## **Purpose and Scope**

The purpose of this report is to recommend ways to improve funding of primary state schools, and encourage private sector organizations to aid in financing development projects in the field of primary education.

In this report, we will focus on the viability of involving the private sector in financing public primary education, as well as on ways to encourage the corporate world, private schools and universities, and non-governmental agencies to further the quality of education delivered. We will further analyze the economic implications of any long-term plan that would involve the aforementioned parties.

We will not discuss issues pertaining to improving the curriculum, raising teacher's salaries or any matter related to the academic aspect of education.

### **Assumption**

Our assumption is based on the fact that the increase in student enrolment has not been coupled by an increase in facilities at state primary schools. We assume that quality of education must, with the increased number of enrolled students, be reformed to meet new and improved standards.

Our recommendations are further based on the valid assumption that the current administration is willing to involve private sector entities in matters pertaining to the delivery of state primary education. A trend of privatization in other sectors of

the economy validates this assumption, and hence makes the recommendations outlined in this report executable in the current political climate.

#### Methods

The information for this report comes from a variety of secondary sources, most importantly; statistical data and reports compiled by UNICEF, the World Bank and relief aid agencies. We have also interviewed Mrs. Nagwa Emad, a senior member of the Rotary Club. The interview has provided us with insight into the viability of involving charitable organizations, such as the Rotary Foundation, in the funding of state primary schools. We have chosen not to construct surveys or questionnaires. We believe that the recommendations outlined in this report should be based on validated research, rather than the public's opinion on the matter.

### Limitations

The most important limitation has been a lack of information concerning the financial state of public schools. Information, often withheld or simply available, may have prevented us from seeing the full scope of the problem and hampered possibilities for reform. The broad nature of the issue at hand has made it difficult to tackle the problem in its entirety. We have therefore limited our recommendation to exploring means by which private sector organizations would aid in the funding of state primary schools.

## A Crisis in the Education System

Growing demand for education has been coupled by increased need for funding. The Egyptian population is rapidly approaching the 80 million benchmark. An increase in the population has further increased enrolment in public primary schools throughout the country. The Net Primary enrolment ratio is the number of children enrolled in primary school who belong to the age group that officially corresponds to primary school. In 2004, 95.4% of children aged between 6 and 10 were enrolled in state primary schools (SIS, 2004). As Figure 1 shows, enrollment in public schools has been gradually increasing.

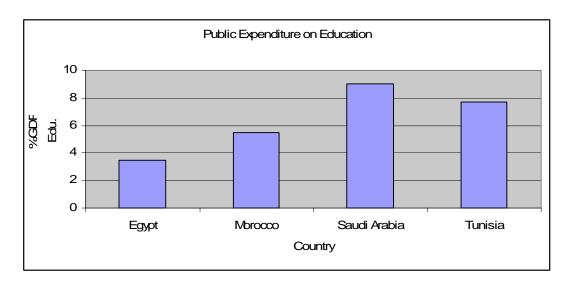
Table 1
Net Enrolment in State Primary Schools nearing Millennium Development Goals (SIS, 2004)

Year	Net	Enrolment
	Ratio (%)	

1990	83.7
1995	93
2000	92.9
2004	95.4

Whilst the increase in net enrolment ratio is favorable and in line with Egypt's Millennium Development Goal of reaching 100% net enrolment by the year 2015, this has evidently strained the education system. Furthermore, merely increasing enrolment without improving quality is an empty goal. Cramping more children in classrooms without the means to delivery an adequate quality of education serves to demote from the very essence of education. Spending on education as per cent of Gross Domestic Product (GDP) has gradually increased over the years. The slight increase in public expenditure, whilst favorable, is meager when compared to other countries of similar socio-economic development. As Figure 1 shows, Egypt ranks poorly when compared to other countries in the region.

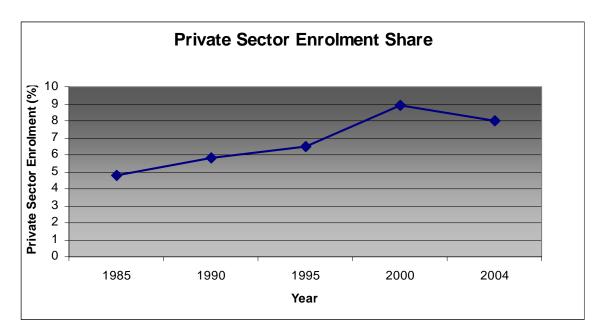
Egypt's public expenditure ranks poorly in the Middle East and North Africa for the year 2004 (UNICEF, 2004)



Whilst public expenditure on education remains at a meager 3.5%, the recruitment of the private sector in funding state primary education has been apparent in the last few years. An increase in private expenditure ensures the long-term delivery of Egypt's Millennium Development Goals with respect to education. The corporate world has the financial prowess to inject sizeable funds into the education system capable of revitalizing and supporting any government

development initiatives. The increase in private expenditure on education over the last two decades comes in line with state efforts to increase the share of the private sector in the economy. This has also reflected on the education sector, where a positive trend of increasing private sector expenditure on education is evident. A surge in private schools throughout the country, and a keen interest on the part of major corporate institutions, such as Orascom Egypt, in taking an active role in non-profit development projects, are primarily responsible for the increase. As Figure 3 shows, private expenditure has been gradually increasing.

Figure 2: Private Expenditure on Education in Egypt has been Increasing (World Bank, 2005)



## **Public-Private Partnership in Education**

The gradual decline in public expenditure on education, coupled by an already crippled state welfare system, serves to demonstrate the economic woes faced by the government in delivering universally accessible, high-quality education. Encouraging private sector organizations to assist in the financing of public education projects would revitalize already crippled state-sponsored programs.

Despite efforts to increase free-market initiatives in Egypt, the state continues to monopolize access to certain sectors of the economy including education, health and agriculture. In recent years, however, the Nazif administration has encouraged privatization in several fields. The current political and economic climate serve to demonstrate both the viability of further involving the private sector in public matters and the willingness, on the part of the Government, to ease barriers of entry and restrictions on access to private sector businesses.

**Privatization: Not an Option** 

Addressing the misconception of equating public-private partnerships with outright privatization is pivotal to implementing the recommendations outlined in this report. There is an unfounded perception that privatization would solve the funding woes of the education system. Privatization, however, presents itself as both an unrealistic and problematic approach to the issue at hand. Privatizing state primary schools would exacerbate the problem of unequal access to education. The delivery of education would be primarily based on socioeconomic factors, and hence demote from well-founded principles of universal access to education. Privatization would undoubtedly result in decentralization. A lack of central authority would remove any possible parameters by which to evaluate performance and the quality of education delivered.

Furthermore, privatization efforts in several Latin American countries (most notably Chile) have proven disastrous. Unequal delivery of education, as well as preferential treatment to students enrolled in private schools has resulted in an even more catastrophic social phenomenon. Many argue that a heightened sense of class boundaries and increasing social stratification can be directly attributed to failed privatization efforts (Bellei, 2005).

#### **Private Sector Involvement**

Plans for public-private partnerships in education fall short of outright privatization. Many businessmen recognize the importance of improving the quality of education, due to a sheer lack of adequately trained human resources base, as well as an increasing commitment to social corporate responsibility. We must further note, however, that involving the private sector must come in light of government policies and expand on already implement programs. The public element remains the most important, and ensuring that the universal principles of education, well founded in the Egyptian Constitution, are upheld is fundamental to the success of such partnerships. The current system of centralization is vital to reducing further institutional 'red tape' and ensures that a governing body is held accountable to any flaws in the system.

Public-private partnerships that do not necessarily entail privatization have been implemented with success in Brazil. The *Acorda Brasil* program, sponsored by the Ministry of Education, aims at encouraging large- scale private corporations to improve public schools. Local authorities have hired private administrators to improve the management of public schools and 80 large corporations have formed an association that pledges to donate an annual sum of 400 million dollars to the education system (Mora, 2005). While these initiatives are preliminary in nature, they serve to outline the possibilities that exist for involving the private sector in solving the problems of education

### **Non Governmental Organizations**

A handful of non-governmental organizations and relief aid agencies actively participate in the funding of primary education in Egypt. UNICEF has

implemented several programs to improve the delivery of education in state primary schools, most prominently the Community Schools Initiative launched in Upper Egypt in 1992 (UNICEF, 2004). USAID's 'Improved Basic Education' Program's has provided a steady stream of financing to several government education initiatives over the years.

Further involving non-governmental organizations in plans to improve funding of state primary schools is pivotal to any long-term plan. The financial prowess of these organizations, as well as the technical expertise they offer, provide for ample funding and opportunities for sustainable development in the future.

### **Short Term Plan**

Developing a short term plan that would address the most pressing needs of the education system is paramount to the success of any long term initiative. Undoubtedly, the feasibility of the recommendations outlined in this report is based upon the cooperation of major business institutions in the country. Developing a long-term strategy must involve coordinating efforts in the short term. Ensuring the good will and cooperation of prominent members of the corporate world, as well as established non-governmental institutions, is paramount to any outlined proposals. Securing the approval of the Minister of Education, who presents himself as the voice of the government in any programs to be implemented, is vital to ensuring the long-term sustainability of the link between the private and public sectors.

**Sister School Initiative:** Further expanding on the links between both the public and private sectors involves calling on private schools and universities to donate resources, including used books, computers and sports equipment, to public schools. Used books and computers are more than often thrown away by private schools. Establishing a 'sister school' program would encourage private schools to donate used resources to public schools in need. This not only guarantees short term supplies of resources in need, but also sets the basis for further cooperation between private and public schools. Assigning each donor private school a greater role in furthering the state education system expands on already implemented initiatives and creates a sense of heightened social responsibility.

**Short-Term Committee:** Setting up a committee that would analyze the viability of current funding mechanisms is fundamental to any long term development plan. The committee, which will be short-term in nature and scope, would address issues pertaining to the allocation of financial resources to the state education system, and further explore means by which there is both a fair and adequate distribution of resources, both monetary and non-monetary, to areas and sectors most in need.

### Sustainable Long-Term Development

Liaison Committee: Once assurances have been secured to involve the private sector in the funding of education programs, we recommend the establishment of a long-term liaison committee that will oversee the allocation of monetary funds and resources accordingly. This is central to ensuring that dialogue and cooperation remains open between the Government, the major supplier of education, and the private sector, the potential financiers. The committee will be headed by the Minister of Education, and all business parties willing to assist in school funding. This will allow the corporate world to speak and coordinate action in one voice, whilst ensuring continued government support and supervision.

**Entrepreneur's Association:** To encourage and coordinate efforts on the part of the private sector, we recommend the establishment of an 'Entrepreuner's Association' that would include both prominent members of the business community and small business owners throughout the country. The association, chaired by an elected representative, would encourage entrepreneurs to finance both state and non-governmental education initiatives. An internship program would provide students with adequate training and encourage private sector business to enroll in such funding initiatives by emphasizing an increasingly competent human resources market as a result of improved quality of education.

Awareness Program: We recommend the establishment of an awareness program titled "Education and Beyond" which would strive to reach as many people as possible and stress the importance of delivering high quality education at state primary schools. The awareness program will be modeled after Mrs. Suzanne Mubarak's "Reading for All" initiative and its goals will complement those already outlined in other government sanctioned development programs. Headquartered in Cairo and overseen by representatives from the Ministry of Education, the corporate world and private schools and universities, the program will employ several Regional Coordinators in all of the 27 governorates to administer initiatives to increase awareness of education throughout the country.

Charity: Coordinating fundraising activities is pivotal to the success of the outlined recommendations. Donations can be made to a bank account, accessible to the aforementioned committee and awareness program. Initiatives to increasing charitable donations will be modeled after the Children Cancer Hospital's fundraising activities and similar large scale projects. Addressing the public directly and facilitating procedures for donation will ensure both hefty and rapid delivery of funds. Media sources will serve as outlets by which to promote the objectives of government sponsored initiatives and elaborate on newly instituted initiatives. Actively involving charitable organizations, most notably the Rotary Club, in fundraising programs ensures continued public awareness of the problems of education.

**NGO Development:** Involving non-governmental development agencies and foreign relief aid agencies is pivotal to furthering funding of the education system. USAID, already involved in several urban and rural education programs, would

serve as a role model for other development agencies willing to assist in improving the delivery of education in Egypt. Despite hesitation on the part of several Members of Parliament as to the viability of long-term international support, the current Nazif administration has implemented plans to further integrate the efforts of USAID, UNICEF, CIDA, GDS and the EU Fund into current state- sponsored programs. Funding would no longer be the sole responsibility of an economically burdened state system. Involving other financially capable non-governmental institutions, whether private sector businesses, schools or foreign relief aid agencies, would ensure long-term sustainable delivery of high quality education, befitting current development goals.

Plans for long term development must include increasing coordination between all interested parties in Egypt. The allocation of monetary resources is severely deficient in addressing the pressing concerns of education. Whilst non-governmental organizations and relief aid agencies donate large sums to already existent government programs, coupled by the increasingly apparent participation of charitable initiatives in education, a lack of coordination limits proper and efficient delivery of resources and funds. According to Mrs. Nagwa Emad, Senior Member of the Rotary Foundation (Egypt), "there is a compelling need for coordinating charitable activities. With so many charitable organizations willing to give so much, there must be a central body to coordinate and direct efforts as deemed necessary" (personal communication, May 10, 2007).

#### Conclusion and Recommendations

Developing plans to involve the private sector and establish long-lasting publicprivate partnerships is the only means by which a possible financial revitalization of the state education system is possible. Improving the quality of education can only come once long-term funding concerns are addressed. To increase funding, the Ministry of Education should:

1. **Establish a sister school initiative.** Encourage private schools and universities to donate used resources to public schools in need.

### 2. Create two committees.

- A short term committee to explore possible means by which financial resources would be fairly allocated.
- A long term committee to serve as a liaison between the private and public sectors.
- 3. **Set up an Entrepreneur's Association.** An entrepreuner's association encourages both corporate leaders and small business owners to aid in the funding of state primary schools. It further establishes solid links between the corporate world and local communities.

- 4. **Create an Awareness Program.** "Education and Beyond" would foster public approval and awareness of the issue, and increase the pool of those willing to donate to the state educations system.
- 5. **Reform Charitable Initiatives.** Coordination between charitable organizations is pivotal to ensuring a fair allocation of resources. Setting up a bank account and using media outlets would both facilitate and increase donations.
- 6. **Encourage NGO Development.** Further expanding the role of non-governmental organizations and relief aid agencies in the education sector would increase the size of funds injected into the system, and provide for a sustainable means of long-term development.

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